

Overview of Wisconsin Medicaid Prior Authorization of Prescription Drugs

Background

The Wisconsin Department of Health and Family Services (DHFS) uses a number of policies including prior authorization (PA) to ensure that clinically appropriate medications are available to all Medicaid recipients at the lowest cost possible. PA, by encouraging the use of therapeutically appropriate, cost-effective drugs, ensures the best use of finite public resources, thereby permitting access to a comprehensive set of health care services at a cost affordable to the state.

Wisconsin Medicaid requires PA for the following reasons:

- To deter potential drug abuse or misuse
- To eliminate coverage of prescription drugs for cosmetic use only
- To encourage use of therapeutically equivalent drugs when generic or lower cost brand name drugs are available in that classification. This is known as targeted use of PA.

Targeted use of PA has been shown to slow the rate of increase in drug expenditures without impeding access to necessary and appropriate drugs. PA is now widely used by Medicaid programs across the U.S.

The Department makes decisions about PA taking into account the advice of the Medicaid Pharmacy PA Advisory Committee. The Committee consists of physicians, pharmacists and consumers who review the most up-to-date medical literature, listen to the views of consumers and pharmaceutical manufacturers, and provide advice to the DHFS Secretary.

In most cases the pharmacy requests PA through an electronic real time system and is usually able to immediately dispense the drug. Wisconsin Medicaid requires the pharmacy, not the prescribing physician, to obtain PA for certain drugs before they may be dispensed. The pharmacist may, however, need to contact the physician for additional clinical documentation. The Medicaid PA process also has built-in safeguards, including permission to dispense a 72-hour emergency supply of necessary medications.

Drug Prior Authorization Procedures

Wisconsin Medicaid uses two methods to accept and process drug PA requests. The most commonly used method is electronic submission with immediate adjudication of the PA request. This system is called "STAT-PA." The other method is the traditional paper PA request where the pharmacy submits written information and justification that the prescribed medication is necessary and appropriate.

STAT-PA. The Wisconsin STAT-PA system is an electronic PA system for drugs that allows pharmacy providers to request and receive immediate prior authorization using the telephone. This system operates via telephone dial-in from 8 a.m. to 11:45 p.m., seven days per week, or by calling the Help Desk from 8 a.m. to 6 p.m., Monday through Friday. The pharmacy enters information via keypad identifying the pharmacy, Medicaid recipient and drug requested. Several drug-specific questions are asked by the electronic system, and the provider responds with keypad input. The pharmacy may call the physician for the information necessary to obtain PA. If all of the criteria are met, the PA request is immediately approved and the provider is given a PA number to use for billing the drug. PA requests that do not meet criteria are indicated as "returned" and the pharmacy is instructed to submit a paper prior authorization form with appropriate documentation. Because Wisconsin Medicaid publishes clear PA guidelines, over 95% of PA requests are approved through STAT-PA.

PAPER PA. The paper PA system is used when the electronic STAT-PA system does not result in approval of the PA request. This involves PA requests that require more documentation than the STAT-PA system is designed to handle. The pharmacy must complete a paper PA request and include more detailed information such as diagnosis and clinical documentation supporting the request to use the drug for a non-approved indication.